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**AMENDMENT TO H.R. 1664, AS REPORTED
OFFERED BY MR. FRANK OF MASSACHUSETTS**

In subsection (e)(1) of the matter proposed to be inserted by section 1(a) of the bill, in the matter following subparagraph (B), strike “nothing in this paragraph” and all that follows through “under the TARP” and insert “an institution shall not become subject to the requirements of this paragraph as a result of doing business with a recipient of a direct capital investment under the TARP or under the amendments made by the Housing and Economic Recovery Act of 2008”.

In subsection (e) of the matter proposed to be inserted by section 1(a) of the bill, redesignate paragraph (3) as paragraph (4) and insert after paragraph (2) the following:

- 1 “(3) CLARIFICATION RELATING TO SEVERANCE
- 2 PAY.—For purposes of this subsection, a compensa-
- 3 tion payment or compensation payment arrangement
- 4 shall not include a severance payment paid by an
- 5 employer in the ordinary course of business to an
- 6 employee who has been employed by the employer
- 7 for a minimum of 5 years upon dismissal of that em-

1 employee, unless such severance payment is in an
2 amount greater than the annual salary of such em-
3 ployee or \$250,000.”.

 In the matter proposed to be inserted by section
1(a) of the bill, in subsection (e)(4)(B) (as redesignated
by the previous amendment), insert before the period the
following: “or for the benefit of that person’s immediate
family members”.

 At the end of the bill, insert the following new sec-
tion:

4 **SEC. 2. EXECUTIVE COMPENSATION COMMISSION.**

5 Section 111 of the Emergency Economic Stabilization
6 Act of 2008 (12 U.S.C. 5221), as amended by section 1,
7 is further amended by adding at the end the following new
8 subsection:

9 “(j) EXECUTIVE COMPENSATION COMMISSION.—

10 “(1) ESTABLISHMENT.—There is hereby estab-
11 lished a commission to be known as the ‘Commission
12 on Executive Compensation’ (hereinafter in this sub-
13 section referred to as the ‘Commission’).

14 “(2) DUTIES.—

15 “(A) STUDY REQUIRED.—The Commission
16 shall conduct a study of the executive com-
17 pensation system for recipients of a direct cap-

1 ital investment under the TARP. In conducting
2 such study, the Commission shall examine—

3 “(i) how closely executive pay is cur-
4 rently linked to company performance;

5 “(ii) how closely executive pay has
6 been linked to company performance in the
7 past;

8 “(iii) how executive pay can be more
9 closely linked to company performance in
10 the future;

11 “(iv) the factors influencing executive
12 pay; and—

13 “(v) how current executive pay incen-
14 tives affect executive behavior.

15 “(B) CONSIDERATION OF PROPOSALS.—

16 The Commission shall consider, in addition to
17 any recommendations made by members of the
18 Commission or outside advisers, the effects of
19 implementing increased shareholder voice in ex-
20 ecutive compensation.

21 “(3) REPORT.—

22 “(A) IN GENERAL.—Not later than 90
23 days after the date on which all members of the
24 Commission have been appointed, the Commis-

1 sion shall deliver a report to the President and
2 to the Congress containing—

3 “(i) recommendations for legislative
4 action;

5 “(ii) recommendations for executive
6 action, including actions taken by the De-
7 partment of the Treasury or any other
8 agency for which the Commission has rec-
9 ommendations; and

10 “(iii) recommendations for voluntary
11 actions to be taken by recipients of a direct
12 capital investment under the TARP.

13 “(B) MINORITY VIEWS.—The report re-
14 quired under subparagraph (A) shall be accom-
15 panied by any separate recommendations that
16 members of the Commission wish to make, but
17 that were not agreed upon by the Commission
18 for purposes of the report required under sub-
19 paragraph (A). Such separate recommendations
20 must take the form of a proposal for aligning
21 executive pay with the long-term health of the
22 company.

23 “(4) COMPOSITION.—

24 “(A) The Commission shall be composed of
25 9 members, appointed as follows:

1 “(i) 1 member appointed by the Coun-
2 cil of Economic Advisers.

3 “(ii) 1 member appointed by the
4 Speaker of the House of Representatives.

5 “(iii) 1 member appointed by the Sen-
6 ate Majority Leader.

7 “(iv) 1 member appointed by the
8 House Minority Leader.

9 “(v) 1 member appointed by the Sen-
10 ate Minority Leader.

11 “(vi) 1 member appointed by the
12 Chairman of the Financial Services Com-
13 mittee of the House of Representatives.

14 “(vii) 1 member appointed by the
15 Ranking Member of the Financial Services
16 Committee of the House of Representa-
17 tives.

18 “(viii) 1 member appointed by the
19 Chairman of the Banking, Housing, and
20 Urban Affairs Committee of the Senate.

21 “(ix) 1 member appointed by the
22 Ranking Member of the Banking, Housing,
23 and Urban Affairs Committee of the Sen-
24 ate.

1 “(B) Each appointing entity shall name its
2 member within 21 days of the date of the en-
3 actment of this subsection.

4 “(C) Any vacancy in the Commission shall
5 be filled in the same manner as the original ap-
6 pointment.

7 “(5) ACTIVITIES.—

8 “(A) The Chairman of the Financial Serv-
9 ices Committee of the House of Representatives
10 shall select one member to serve as the Chair-
11 man of the Commission, and such Chairman
12 will call to order the first meeting of the Com-
13 mission within 10 business days after the date
14 on which all members of the Commission have
15 been appointed.

16 “(B) The Commission shall meet at least
17 once every 30 days and may meet more fre-
18 quently at the discretion of the Chairman.

19 “(C) The Commission shall solicit and con-
20 sider policy proposals from Members of Con-
21 gress, the financial sector, academia and other
22 fields as the Commission deems necessary.

23 “(D) The Commission shall hold at least
24 two public hearings, and may hold more at the
25 discretion of the Chairman.

1 “(6) ACTIONS BY THE COMMISSION.—A deci-
2 sion of a majority of commissioners present at a
3 meeting of the Commission shall constitute the deci-
4 sion of the Commission where the Commission is
5 given discretion to act, including but not limited to,
6 recommendations to be made in the report described
7 in paragraph 3.

8 “(7) STAFF.—The Chair may hire at his or her
9 discretion up to seven professional staff members.

10 “(8) TERMINATION.—The Commission shall
11 terminate 30 days after the date on which the Com-
12 mission submits its report to the President and the
13 Congress under paragraph 3.

14 “(9) AUTHORIZATION OF APPROPRIATIONS.—
15 There are authorized to be appropriated such sums
16 as may be necessary to carry out this subsection.

